

**ECONOMIC AND FISCAL IMPACT STATEMENT  
(REGULATIONS AND ORDERS)**

STD. 399 (Rev. 2-98)

See SAM Sections 6600 - 6680 for Instructions and Code Citations

DEPARTMENT NAME	CONTACT PERSON	TELEPHONE NUMBER
Department of Pesticide Regulation	Linda O'Connell	916-445-1717
DESCRIPTIVE TITLE FROM NOTICE REGISTER OR FORM 400		NOTICE FILE NUMBER
Methyl Bromide Field Fumigation		

**ECONOMIC IMPACT STATEMENT****A. ESTIMATED PRIVATE SECTOR COST IMPACTS** *(Include calculations and assumptions in the rulemaking record.)*

1. Check the appropriate box(es) below to indicate whether this regulation:

☒ a. Impacts businesses and/or employees☐ e. Imposes reporting requirements☒ b. Impacts small businesses☒ f. Imposes prescriptive instead of performance standards☐ c. Impacts jobs or occupations☐ g. Impacts individuals☐ d. Impacts California competitiveness☐ h. None of the above *(Explain below. Complete the Fiscal Impact Statement as appropriate.)*h. *(cont.)* \_\_\_\_\_*(If any box in Items 1 a through g is checked, complete this Economic Impact Statement.)*2. Enter the total number of businesses impacted: 50 Describe the types of businesses *(Include nonprofits)*: Strawberry growers and nursery stock producers that treat their fields with methyl bromide.Enter the number or percentage of total businesses impacted that are small businesses: unknown3. Enter the number of businesses that will be created 0 or eliminated: 0Explain: DPR has determined that the proposed regulatory action will not lead to the creation or elimination of businesses, as the regulation will save strawberry growers money in the South Central Coast, but will require strawberry nursery stock producers to incur additional costs in Siskiyou County. The additional cost is not expected to eliminate any businesses in Siskiyou County.4. Indicate the geographic extent of impacts: ☐ Statewide ☒ Local or regional *(list areas)*: Monterey, Santa Cruz and Siskiyou Counties5. Enter the number of jobs created: 0 or eliminated: 0 Describe the types of jobs or occupations impacted: employees handling methyl bromide

6. Will the regulation affect the ability of California businesses to compete with other states by making it more costly to produce goods or services here?

☐ Yes ☒ No If yes, explain briefly: \_\_\_\_\_**B. ESTIMATED COSTS** *(Include calculations and assumptions in the rulemaking record.)*

1. What are the total statewide dollar costs that businesses and individuals may incur to comply with this regulation over its lifetime: \$183,229 net cost savings

a. Initial costs for a small business: \$ 0 Annual ongoing costs: \$31,000 per nursery stock producer in the affected township (Siskiyou County). \$1,411 - \$6,032 cost savings per strawberry grower in the affected townships (Monterey and Santa Cruz counties).Years: 5

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- b. Initial costs for a typical business: \$ 0 Annual ongoing costs: \$31,000 per nursery stock producer in the affected township (Siskiyou County. \$1,411 - \$6,032 cost savings per strawberry grower in the affected townships (Monterey and Santa Cruz counties.  
Years: 5
- c. Initial costs for an individual: \$ 0 Annual ongoing costs: \$ 0 Years:
- d. Describe other economic costs that may occur: none
2. If multiple industries are impacted, enter the share of total costs for each industry Strawberry growers (100 percent cost savings), strawberry nursery stock producers (100 percent cost).
3. If the regulation imposes reporting requirements, enter the annual costs a typical business may incur to comply with these requirements. *(Include the dollar costs to do programming, record keeping, reporting, and other paperwork, whether or not the paperwork must be submitted.):* \$ 0
4. Will this regulation directly impact housing costs? ☐ Yes ☒ No If yes, enter the annual dollar cost per housing unit: \$      and the number of units:
5. Are there comparable Federal regulations? ☐ Yes ☒ No Explain the need for State regulation given the existence or absence of Federal regulations: California Food and Agricultural Code sections 12981 and 14005 which mandates DPR to adopt regulations governing the use of restricted materials if found to be injurious to the environment, person, animal, crop or other property; and to provide for the safe use and working conditions to persons handling pesticides.  
Enter any additional costs to businesses and/or individuals that may be due to State-Federal differences: \$ N/A

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### C. ESTIMATED BENEFITS *(Estimation of the dollar value of benefits is not specifically required by rulemaking law, but encouraged.)*

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1. Briefly summarize the benefits that may result from this regulation and who will benefit: Reduction of methyl bromide exposures to public and fumigation workers to avoid potential harm.
2. Are the benefits the result of: ☐ specific statutory requirements, or ☒ goals developed by the agency based on broad statutory authority?  
Explain: California Food and Agricultural Code sections 12981 and 14005 which mandates DPR to adopt regulations governing the use of restricted materials if found to be injurious to the environment, person, animal, crop, or other property; and to provide for the safe use and working conditions to persons handling pesticides.
3. What are the total statewide benefits from this regulation over its lifetime? \$ not quantifiable

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### D. ALTERNATIVES TO THE REGULATION *(Include calculations and assumptions in the rulemaking record. Estimation of the dollar value of benefits is not specifically required by rulemaking law, but encouraged.)*

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1. List alternatives considered and describe them below. If no alternatives were considered, explain why not: As DPR was under court order to pass regulations to limit subchronic methyl bromide exposures to the public and fumigation workers, it had no alternative but to comply with the court order.
2. Summarize the total statewide costs and benefits from this regulation and each alternative considered:
- |                           |                  |          |                          |
|---------------------------|------------------|----------|--------------------------|
| Regulation: Benefit: \$   | not quantifiable | Cost: \$ | 183,249 net cost savings |
| Alternative 1 Benefit: \$ |                  | Cost: \$ |                          |
| Alternative 2 Benefit: \$ |                  | Cost: \$ |                          |
3. Briefly discuss any quantification issues that are relevant to a comparison of estimated costs and benefits for this regulation or alternatives: none
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4. Rulemaking law requires agencies to consider performance standards as an alternative, if a regulation mandates the use of specific technologies or equipment, or prescribes specific actions or procedures. Were performance standards considered to lower compliance costs? ☒ Yes ☐ No

Explain: A performance standard was considered but found not to be applicable.

### E. MAJOR REGULATIONS *(Include calculations and assumptions in the rulemaking record.)*

*Cal/EPA boards, offices and departments are subject to the following additional requirements per Health and Safety Code section 57005.*

1. Will the estimated costs of this regulation to California business enterprises exceed \$10 million? ☐ Yes ☒ No *(If No, skip the rest of this section)*

2. Briefly describe each equally as effective alternative, or combination of alternatives, for which a cost-effectiveness analysis was performed:

Alternative 1: \_\_\_\_\_

Alternative 2: \_\_\_\_\_

3. For the regulation, and each alternative just described, enter the estimated total cost and overall cost-effectiveness ratio:

Regulation	\$ _____	Cost-effectiveness ratio: _____
Alternative 1	\$ _____	Cost-effectiveness ratio: _____
Alternative 2	\$ _____	Cost-effectiveness ratio: _____

## FISCAL IMPACT STATEMENT

### A. FISCAL EFFECT ON LOCAL GOVERNMENT *(Indicate appropriate boxes 1 through 6 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years)*

- ☐ 1. Additional expenditures of approximately \$ \_\_\_\_\_ in the current State Fiscal Year which are reimbursable by the State pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code. Funding for this reimbursement:
- ☐ a. is provided in (Item \_\_\_\_\_, Budget Act of \_\_\_\_\_) or (Chapter \_\_\_\_\_, Statutes of \_\_\_\_\_)
- ☐ b. will be requested in the \_\_\_\_\_ Governor's Budget for appropriation in Budget Act of \_\_\_\_\_.  
(FISCAL YEAR)
- ☐ 2. Additional expenditures of approximately \$ \_\_\_\_\_ in the current State Fiscal Year which are not reimbursable by the State pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code because this regulation:
- ☐ a. implements the Federal mandate contained in \_\_\_\_\_
- ☐ b. implements the court mandate set forth by the \_\_\_\_\_  
court in the case of \_\_\_\_\_ vs. \_\_\_\_\_
- ☐ c. implements a mandate of the people of this State expressed in their approval of Proposition No. \_\_\_\_\_ at the \_\_\_\_\_  
election;  
(DATE)
- ☐ d. is issued only in response to a specific request from the \_\_\_\_\_  
\_\_\_\_\_, which is/are the only local entity(s) affected;
- ☐ e. will be fully financed from the \_\_\_\_\_ authorized by Section \_\_\_\_\_  
(FEES, REVENUE, ETC.)

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\_\_\_\_\_ of the \_\_\_\_\_ Code;

- ☐ f. provides for savings to each affected unit of local government which will, at a minimum, offset any additional costs to each such unit.
- ☐ 3. Savings of approximately \$\_\_\_\_\_ annually.
- ☐ 4. No additional costs or savings because this regulation makes only technical, non-substantive or clarifying changes to current law and regulations.
- ☐ 5. No fiscal impact exists because this regulation does not affect any local entity or program.

☒ 6. Other. County agricultural commissioners (CACs) will be the local agencies responsible for enforcing the proposed regulations. DPR anticipates that there will be no fiscal impact to these agencies because CACs will be following the same permit evaluation process that is currently performed and will not incur any additional cost.

### B. FISCAL EFFECT ON STATE GOVERNMENT *(Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.)*

- ☐ 1. Additional expenditures of approximately \$\_\_\_\_\_ in the current State Fiscal Year. It is anticipated that State agencies will:
- ☐ a. be able to absorb these additional costs within their existing budgets and resources.
- ☐ b. request an increase in the currently authorized budget level for the \_\_\_\_\_ fiscal year.

☐ 2. Savings of approximately \$\_\_\_\_\_ in the current State Fiscal Year.

☒ 3. No fiscal impact exists because this regulation does not affect any State agency or program.

☐ 4. Other. \_\_\_\_\_




### C. FISCAL EFFECT ON FEDERAL FUNDING OF STATE PROGRAMS *(Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.)*

☐ 1. Additional expenditures of approximately \$\_\_\_\_\_ in the current State Fiscal Year.

☐ 2. Savings of approximately \$\_\_\_\_\_ in the current State Fiscal Year.

☒ 3. No fiscal impact exists because this regulation does not affect any federally funded State agency or program.

☐ 4. Other.

SIGNATURE		TITLE
		
AGENCY SECRETARY <sup>1</sup>		DATE
APPROVAL/CONCURRENCE		
DEPARTMENT OF FINANCE <sup>2</sup>	PROGRAM BUDGET MANAGER	DATE
APPROVAL/CONCURRENCE		

- The signature attests that the agency has completed the STD. 399 according to the instructions in SAM sections 6600-6680, and understands the impacts of the proposed rulemaking. State boards, offices, or departments not under an Agency Secretary must have the form signed by the highest ranking official in the organization.*
- Finance approval and signature is required when SAM sections 6600-6670 require completion of the Fiscal Impact Statement in the STD. 399. However, Finance must immediately receive a copy of each STD. 399 submitted to OAL without Finance signature, and Finance may subsequently question the "no fiscal impact" finding of a state agency.*